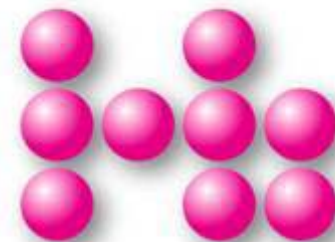




Tourism Europe

Contractors' Meeting February 14, 2005

THE MANGUM GROUP
A MARKETING COMPANY



Hills Balfour
INTEGRATED MARKETING



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Our Objectives for 2004 were to ...

- ✓ **Attract more visitors from Europe in order to diversify the market of Hawai'i's inbound travel**
- ✓ **Increase demand for the destination Hawai'i**
- ✓ **Improve general awareness and provide a better understanding of Hawai'i**
- ✓ **Reposition the brand to show diversity of islands (Hawai'i "The Dream")**

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Together with you we have achieved this goal!

1992-2003: European visitor numbers to Hawai'i declined

For the first time since 1992, a negative trend was turned around

3.9% European visitor increase (Jan–Nov 04 vs. Jan–Nov 03)

- **Highest length of stay with average 13.5 days**
- **Highest average visitor trip expenditure with US\$1,945 per person**

Source: DBEDT

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Hawai'i Tourism Europe - KPI Results 2004

Activity/KPI	Objectives 2004	Achievements 2004
Consumer Database	6.000	8.197
Trade Sales Calls	200	729
Trade trainings	9	13
Coop promotions	20	25
Trade & Consumer Show participations	14	15
PR Value	US\$3 m	US\$51,604,295
Circulation	-	244,340,405

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Statements

„The European market has made a tremendous comeback for Starwood Hawai‘i in 2004 with an increase of nearly 60% in room nights compared to the previous year. 2005 looks even more promising for us and we look forward to taking good care of our European guests who come a long way to see Paradise.“

Karin Jones, Senior Sales Manager

Starwood Hotels

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Statements

“Two months after the launch of our dedicated 80 page Hawai‘i brochure we had already registered an over proportional increase in revenue, which proved that our decision for this stand-alone brochure was more than warrantable. FTI will continue to focus strongly on Hawai‘i and we are confident of substantial growth in 2005.”

Heike Pabst, Product Director North America

FTI

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Statements

“We have seen numbers to Hawai‘i really take off... Passenger numbers in 2004 were 35% up. These growth levels have been surpassed in 2005 and initial indications suggest it is going to be an exceptionally good year for Hawai‘i... In terms of bookings taken year to date, our passenger numbers to Hawai‘i are 74% up...”

Tom Samuel, USA Product Manager

Thomas Cook Signature Ltd

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Statements

„The visibility of Hawai‘i as a tourism destination is steadily increasing in the UK market, as travellers look for alternative holiday options around the world. The introduction of the NCL cruise product has also helped raise awareness of the destination and offers an alternative way to see the islands.“

**Louise Prior, Tour Operator and Cruising Correspondent,
Travel Trade Gazette**

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UK & German websites launched

Average page impressions per market
per month: 40,000

Average Site Visits per market
per month: 10,000

Platform for news and online promotions

Online Promos: 4 pan-European campaigns
(Ironman, Dole, 50 First Dates, NCL raffle)





Hawai'i Supplements

Travel Weekly Supplement

- ✓ 20 Pages
- ✓ Distributed to 23,000 key agents and operators



Touristik Aktuell Supplement

- ✓ 16 pages
- ✓ Distributed to 30,000 key agents and operators





International Shows & Events

- ✓ ITB Travel Trade Show, Berlin
- ✓ WTM Travel Trade Show, London
- ✓ EIBTM Meetings & Incentive Show, Barcelona



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Dole Hawai'i Promotion

- ✓ Coop Partner: Dole, United Airlines, Aston Hotels & Resorts, Eest Reisen
- ✓ Contacts achieved: 20 m
- ✓ Database: 33,000
- ✓ Investment HTE: US\$300
- ✓ Investment Dole: US\$70,000
- ✓ Cost per personal contact: US\$0.009

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50 First Dates Promotion

- ✓ Partners: Columbia Tristar Home Entertainment, OVB, McFlight, United Airlines, Hilton Hawai'ian Village
- ✓ Contacts & Readership: 2.65 m
- ✓ Investment: US\$1,200
- ✓ Cost per Contact: US\$0.0005



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Windsurfing Chiemsee Hawai'i Promotion

✓“Blue Hawai'i” summer collection

500,000 Hawai'i branded hang tags

40,000 PoS Hawai'i flyers

Online Promotion

Cooperation on events

9-month pan-European campaign 2005



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Ironman Hawai'i Promotion

Events in UK and Germany

- ✓ Partners: Page & Moy, HR3, Marriott, United Airlines, Duracell
- ✓ Media Value: US\$122,360
- ✓ Contacts: 13.5 m
- ✓ Investment: US\$13,000
- ✓ TV Live coverage with media value of US\$24,625,448



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- [illegible]





Hello! United Kingdom

Thwaites Brewery Hawai'i Promotion

- ✓ Thwaites is the UK's 7th largest brewer running more than 420 pubs.
- ✓ Promotion in 300 pubs
- ✓ Full POS support: Posters, table tent cards, bar tent cards and 900,000 scratch cards.
- ✓ Access to 20,000 customer database
- ✓ Partners: Page & Moy
- ✓ Contacts: 2.5 m



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Hello! United Kingdom US Tourism Promotion Campaign

On September 17th, 2004 the US Government launched its first ever integrated travel marketing campaign. After extensive research the Department of Commerce decided to spend US\$6m promoting UK-US travel. The UK is the USA's largest overseas market...

Tape running....

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Hello! United Kingdom US Tourism Promotion Campaign

216 Hawai'i posters on prime roadside locations

42 Hawai'i posters on prime underground locations

1.96 m consumers saw these posters

Value: US\$126,000



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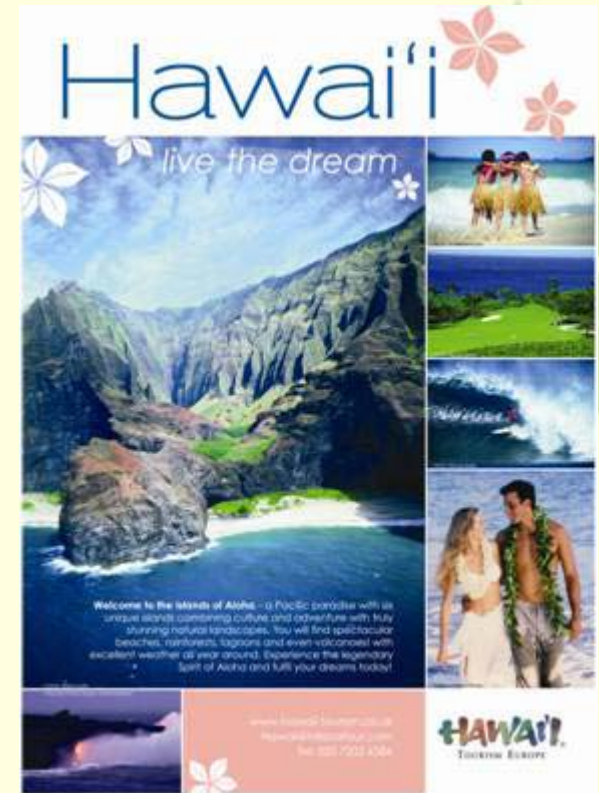


Hello! United Kingdom US Tourism Promotion Campaign

The Travel Planner:

Circulation 100,000

Estimated readership: 250,000



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Hello! United Kingdom US Tourism Promotion Campaign

The Website

28.2 m page
impressions



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Hello! United Kingdom US Tourism Promotion Campaign

Email shots to

- ✓ 600,000 consumers
(TIA database)
- ✓ 15,000 high income contacts
(Hawaiian Dreams database)
- ✓ 880,000 US clients
(Gold Medal Travel database)
- ✓ 6,500 trade contacts
(Gold Medal Travel database)





Hello! United Kingdom US Tourism Promotion Campaign

Partners:

Hawaiian Holidays

Norwegian Cruise Lines

Gold Medal/Airline Network

**Through this campaign 3.7 m
British consumers were reached**





Hello! United Kingdom Films – a British Passion

- ✓ Film viewing is increasingly influencing travel decisions
- ✓ Film tourism is a growing trend among UK holidaymakers with 80% of Britons getting their holiday destination ideas from films
*(*Survey by Thomson published Nov 2004 Guardian)*
- ✓ One in five visitors come to Britain thanks to its exposure in television and film, illustrating that English language films are a powerful means to reach a wide, international market *(VisitBritain surveys 2000)*
- ✓ 40% of Britons voted New Zealand as the top movie holiday hot spot after seeing it in Lord of The Rings “The Frodo Effect” *(Mintel)*

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Hello! United Kingdom

PR value generated: US\$54,110,049

Circulation in total: 136,664,646

Highlights:

- 12 individual media fams
- 4 dedicated Hawai'i media events
- 1 Radio campaign



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Hallo Germany

- ✓ Dertour Destination of the Month Campaign
- ✓ Cube Bicycles Hawai'i Photo Shooting
- ✓ Hawai'i sweepstakes in German "Abendzeitung" newspaper
- ✓ Hawai'i Tourism Europe on German TV at "Kaffee oder Tee"
- ✓ Sinn Leffers Hawai'i Promotion in 48 German fashion stores
- ✓ HTE partners Horizont Masters Golf Tournament, Seefeld



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Hallo Germany

- ✓ Hawaii-themed booth at Eurobike consumer show, Friedrichshafen
- ✓ Aloha Live – Hawai'i Music on tour in Germany
- ✓ FTI travel agent mailing within music promotion
- ✓ Pforzheimer Zeitung Hawai'i evening, Pforzheim
- ✓ Tour operator and press trips to Hawai'i
- ✓ European Hulafestival Zeulenroda



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Hallo Germany

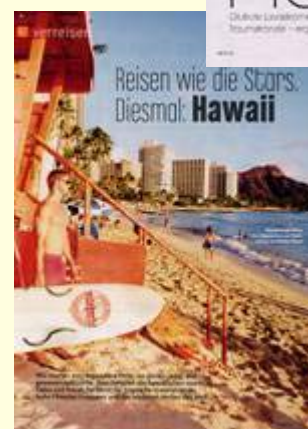
PR value generated: US\$46,193,246

Circulation in total: 107,675,759

Highlights:

- ✓ 2 PR group fams with 16 media
- ✓ 10 individual media fams
- ✓ 2 TV features
- ✓ 2 radio campaigns

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Grüezi Switzerland

- ✓ Wedding and Honeymoon show, St. Gallen
- ✓ Radio NRJ Zurich Hawai'i promotion
- ✓ Visit USA Roadshow through Swiss cities (250 agents)
- ✓ Sales Blitz and Hawai'i trade dinner in cooperation with Starwood, Zurich
- ✓ Salomon & TQ3 surf event, Bremgarten
- ✓ Hawai'i sweepstakes in Swiss "Sonntagszeitung", Zurich



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Buon Giorno Italy

- ✓ BIT Milano Travel Trade Show participation
- ✓ Catalogue distribution at BMT Naples
- ✓ TTG Italia Roadshow through four Italian cities (250 agents)
- ✓ Sales blitz Milano
- ✓ Hawai'i press conference in cooperation with Delta Air Lines, Milano
- ✓ 2 individual press fam supported





Bonjour France

- ✓ Participation at travel trade show
Top Resa, Deauville
- ✓ Sales blitz Lyon and Paris
- ✓ Trade trainings Paris
- ✓ Media mailing in cooperation with Jetset Voyages
- ✓ Media lunch with Le Figaro publishing house
- ✓ 2 individual press fams supported



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European Economic Perspective

- ✓ **Population: 459 m**
- ✓ **GDP up by 2.0% compared to 2003**
 - **UK strongest economy in Europe**
 - **Germany fifth largest national economy in the world**
- ✓ **Favorable exchange rate development**
 - **£ up 11% against US\$ in comparison to 2003**
 - **all-time high of Euro in regards to US\$ in 2004**
 - **\$ destinations attractive for the European traveler**

Source: IFOR

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Booking trends

Increase in

- ✓ Experiential investment (over material investment)
- ✓ Premiums paid for long haul travel (yield growth by 6%)
- ✓ Creative packaging – value added components
- ✓ Demand for the ‘not just a holiday but a seamless “Experience”’
- ✓ Health, wellness and rejuvenation holidays
- ✓ Demand for value for money, due to increased competition
- ✓ Niche tourism as consumers have higher demands from their long haul experience
- ✓ Late bookings – offshoot of world events & uncertainty

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Booking trends - online

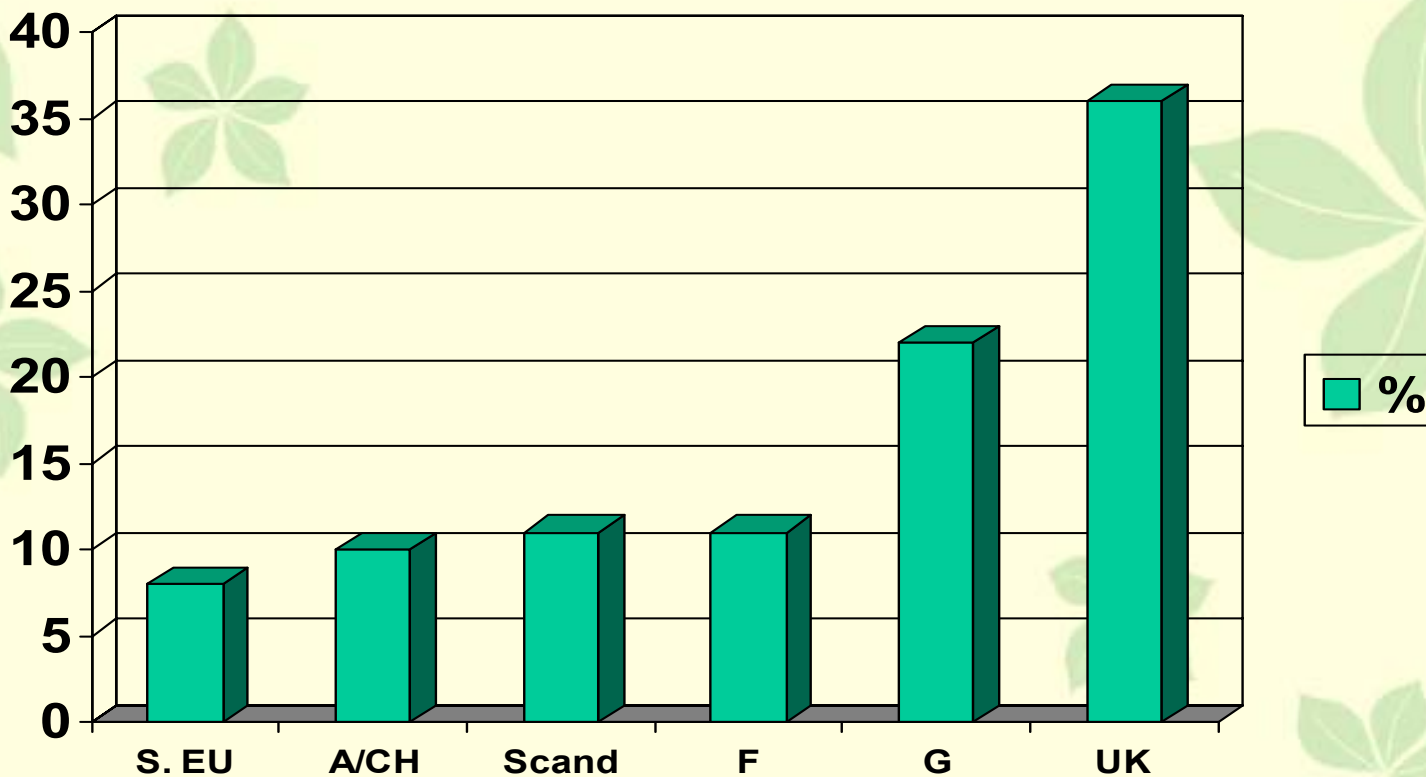
- ✓ 80 million households now online in Europe
- ✓ 48% of households in Europe access the internet from home, compared with just 36% in 2002
- ✓ Broadband access now 15% of the population, up from 6% in 2002
- ✓ The trend to book online will grow considerably, late bookings will be increased

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The European Online Market 2004



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Consumer themes

In 2005 the European marketing activity will be underpinned by a series of themes which meets the demands of the European consumer, and differentiates the destination

- ✓ **Nature**
- ✓ **Culture**
- ✓ **Sports & Soft adventure**
- ✓ **Romance**

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European consumer themes

Nature : Research suggests that the European long haul traveller now has higher expectations from the destination and is looking for destinations which not only offer breathtaking beaches, but also offers natural beauty and diversity, particularly for the family market educational elements.

Culture : European consumers are keen to live the cultural experience of a destination and will specifically select destinations with high cultural content. Culture ranks as the third highest travel motivator after relaxation and sightseeing, and is more important than shopping. 68%* of European visitors to Hawai'i have participated in cultural activity.

*Internal research

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European consumer themes

Sports and Soft Adventure: 21% of all European long-haul holidaymakers are looking for active holidays. In 2005 30% of all Britons & 36% of all Germans will book an active sports/adventure experience (48 m in total).

Romance: In Europe there is an increasing trend in high value overseas weddings, with a market valued at US\$ 5.68 billion, and an average cost of a wedding US\$26,700.

Dollar destinations dominate the market for weddings & honeymoons abroad for 2005/2006

* Sources: Thomson ISOP Survey, Travel Bulletin, You and Your Wedding, Mintel: Wedding Industry Report 04

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Your co-op opportunities for 2005 – Q1

- ✓ **Windsurfing Chiemsee Hawai'i Promotion**
- ✓ **Holiday World, Dublin (January 27-30)**
- ✓ **German wholesaler fam trip in cooperation with Korean Air**
- ✓ **Hawai'i Travel Planner Germany**
- ✓ **Destinations, London (February 3-7)**
- ✓ **Boards & More Photoshooting with Mistral F2 and Northsails**
- ✓ **ITB, Berlin (March 11-15)**
- ✓ **Romance Promotion with flowers.de**
- ✓ **Vox Wolkenlos/Fernweh**
- ✓ **Ideal Home Show, London (March 3-28)**
- ✓ **Individual Media Visits (on-going)**

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Your co-op opportunities for 2005 – Q2

- ✓ **Travel Weekly Online Training Program, UK**
- ✓ **UK Group Press Trip**
- ✓ **Aloha Artefacts Exhibition at Ethnological Museum, Germany**
- ✓ **UK Film Promotion**
- ✓ **UK Golf Promotion**
- ✓ **German Wellness Promotion**
- ✓ **UK Travel Planner**
- ✓ **Quarterly newsletter to European trade partners**
- ✓ **Individual media visits (on-going)**

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Your co-op opportunities for 2005 – Q3

- ✓ **UK MICE Fam**
- ✓ **German and Swiss Aloha Live Campaign**
- ✓ **Romance Promotion with confetti.co.uk**
- ✓ **The Big Trip, Dublin (Sep 24/25)**
- ✓ **National Wedding Show, London (Sep 30 - Oct 2)**
- ✓ **Trade & Media Fam Trip in cooperation with NCL**
- ✓ **Individual Media Visits (on-going)**
- ✓ **Hawai'i event in German cities in cooperation with NCL**

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Your co-op opportunities for 2005 – Q4

- ✓ **Envie de Partir, Paris (October 8-10)**
- ✓ **TTG Incontri, Rimini (October 14-16)**
- ✓ **Tour America, Dublin (October 9)**
- ✓ **WTM, London (November 14-17)**
- ✓ **Pan European Sales Mission (November 18-25)**
- ✓ **German Hawai'i postcard campaign in cooperation with TO**
- ✓ **Agent Fam Trip UK (January)**
- ✓ **Individual Media Visits (on-going)**

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Finally.....

A strong currency, recent world events and strong growth towards US destinations, combined with our collective efforts to increase the visibility of Hawai'i to the European markets has created a tremendous foundation for the future...for growth from Europe...in volume and in yield.

We have achieved our goals for 2004. We now look forward to working together to contribute to sustainable economic growth for Hawaii's Tourism Industry and a successful 2005.

MAHALO for your support!

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